

On July 21, 2005, Governor Arnold Schwarzenegger signed SB 76, a budget trailer bill that provides \$6.5 million in funding for state-sponsored hydrogen demonstration projects. Specifically, the funds may be used for:

- Up to three hydrogen fueling station demonstration projects in California. The stations must meet or exceed certain environmental goals, must be open and accessible to the public, and recognize appropriate buffer zones with respect to sensitive receptors (such as residences, schools, hospitals, etc.);
- State leases of up to 12 hydrogen-powered vehicles and purchase of up to two hydrogen internal combustion engine vehicles such as shuttle buses; and
- Limited-term (two-year) staffing to implement the demonstration programs.

The bill further requires that projects funded by the appropriation contribute to energy and environmental goals by 2010, as follows:

- Achieve a 30 percent reduction in greenhouse gas emissions relative to current-year vehicles;
- Use at least 33 percent new renewable resources in hydrogen production; and
- Do not increase toxic or smog-forming emissions.

The bill contains certain public notice and reporting requirements. The funding provisions sunset on January 1, 2007.

SB 76 incorporates the language of SB 250, Campbell (as amended on June 21, 2005) that designates hydrogen as a transportation fuel and requires the Department of Food and Agriculture to develop interim purity standards for hydrogen by January 1, 2008. These standards would remain in place until an ANSI-accredited standards development organization (such as the Society of Automotive Engineers or the American Society for Testing and Materials) adopts a national standard. If this standard is at least as stringent as the interim standard, the Department may then adopt it by reference.